

TUITION ASSISTANCE – EMPLOYEE CERTIFICATION  
STATEMENT OF JOB RELATEDNESS FOR INCOME TAX PURPOSES**Background**

Federal law requires the State of Vermont to report certain employer-provided tuition assistance as taxable income to the employee and to withhold applicable taxes. Per the Internal Revenue Service, employer-provided tuition assistance in excess of \$5,250 in a calendar year is generally considered taxable to the employee, **when** it does not qualify as job-related under the working condition fringe benefit section of the Internal Revenue Code.

**Instructions**

**Purpose:** Form is used in determining whether department provided tuition assistance is taxable or non-taxable to the employee. Departments are responsible for ensuring this form is completed prior to any commitment or payment of funds.

**Who Must Use this Form:** Employees applying for tuition assistance from their department; the employee completes Sections 1- 5 and submits it to their supervisor to complete Sections 6 and 7.

## Section 1: EMPLOYEE INFORMATION

EMPLOYEE NAME		EMP ID	
DEPARTMENT		POSITION	

## Section 2: EDUCATION INFORMATION

COURSE(s) TITLE			
EDUCATIONAL INSTITUTION			
ESTIMATED COST (State share only)	\$	PAYMENT METHOD	<input type="checkbox"/> Employee Reimbursement <input type="checkbox"/> Direct Payment by Dept. to Educational Instit.

## Section 3: JOB-RELATED CHECKLIST

Complete this section to determine whether the course(s) meets the criteria for job-relatedness under the working condition fringe benefit section of the Internal Revenue Code. **Degree programs as a whole do not necessarily qualify as a working condition benefit. Each course in the program must be evaluated individually for qualification as a working condition benefit.** For multiple courses, if the answers provided below are not the same for all courses then separate forms must be completed.

**Part A: Check which of the following statements is correct for this course(s):**

- A.1 ☐ The course maintains or improves the skills required for my current position.  
A.2 ☐ I was required by my department, or by law, to take this course in order to keep my current position.  
A.3 ☐ Neither of the above is correct.

➤ If Box A.1 or A.2 is checked then complete Part B, otherwise skip to Section 4.

**Part B: Check which of the following statements is correct for this course(s):**

- B.1 ☐ The course is required to meet the minimum educational requirements of my current position.  
B.2 ☐ The course is part of a program of study that will qualify me for a new trade or business.\*  
B.3 ☐ Neither of the above is correct.

\* Check if the education prepares you for an entirely different type of job, business or trade that is unrelated to your current vocation. Do not check if the education is intended to prepare you for an increase in job duties, promotion, etc. within your current vocation.

## Section 4: TAX TREATMENT

Based on the answers provided in **Section 3** above, **is the following condition met?**

- ❖ Box A.1 or A.2 is checked, AND Box B.3 is checked

☐ **YES**

- Course is job-related and non-taxable.

☐ **NO**

- Course is NOT job-related under IRS regulations. The total amount of non-job-related tuition assistance received by you from the State of Vermont (whether reimbursed or direct paid to the educational institution) in excess of \$5,250 per calendar year (*current limit per IRS guidance*) will be reported as taxable income and applicable taxes withheld.

## Section 5: EMPLOYEE CERTIFICATION

I certify that I have completed this form in good faith and understand that I may be required to supply additional information to confirm job relatedness. I understand that the taxability of any tuition assistance is subject to final determination by the Internal Revenue Service (IRS), and accept full tax responsibility for any educational assistance deemed to be taxable by the IRS.

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**Employee Signature and Date**

## Section 6: SUPERVISOR APPROVAL (or appropriate department employee)

I have reviewed and concur\* with the information provided by the above-name employee on this form.

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**Supervisor Signature and Date**

**Printed Name & Position Title:** \_\_\_\_\_

\* If you do not concur, then return form to employee to resolve any discrepancies prior to approving.

## Section 7: FORM DISTRIBUTION

Supervisor is responsible for distributing the completed form as follows:

- i. Return original completed form to Employee - for retention along with course description materials, etc.
- ii. **If the NO box is checked in Section 4...**then a copy of the form must be submitted (mail, email or fax) to:

Dept. of Finance & Management -Payroll Division 4<sup>th</sup> Floor  
109 State St, Montpelier, VT 05609-0401

**Email:** [VISION-payroll@state.vt.us](mailto:VISION-payroll@state.vt.us) **Fax:** 802-828-2435

**Optional:** At the discretion of department management, submit a copy to the department's business office.

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☐ Form has been reviewed for completeness and recorded in F&M's Employee Tuition tracking system.

**F&M Employee Name & Date:** \_\_\_\_\_